

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No.
U-01393-B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
NATURAL COTTON 67-4

9. API Well No.
43-047-38884

10. Field and Pool, or Exploratory
NATURAL BUTTES

11. Sec., T. R. M. or Blk. and Survey or Area
SECTION 4, T10S, R21E S.L.B.&M

12. County or Parish
UINTAH

13. State
UT

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
EOG RESOURCES, INC

3a. Address **1060 EAST HIGHWAY 40
VERNAL, UT 84078**

3b. Phone No. (include area code)
435-781-9111

4. Location of Well (Report location clearly and in accordance with any State requirements.)
At surface **622912x 1357 FSL 1484 FWL NESW 39.973594 LAT 109.561389 LON**
At proposed prod. zone **SAME 4425600y 39.973516 - 109.560694**

14. Distance in miles and direction from nearest town or post office*
48.9 MILES SOUTH OF VERNAL, UTAH

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
1156 DRILLING LINE
1156 LEASE LINE

16. No. of acres in lease
649

17. Spacing Unit dedicated to this well
160

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.

19. Proposed Depth
4750

20. BLM/BIA Bond No. on file
NM 2308

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5021 GL

22. Approximate date work will start*

23. Estimated duration
45 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

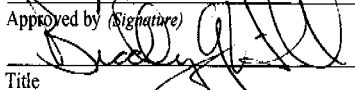
1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature

Title **SR. REGULATORY ASSISTANT**

Name (Printed/Typed)
KAYLENE R. GARDNER

Date
11/20/2006

Approved by (Signature)

Title

Name (Printed/Typed)
BRADLEY G. HILL
Off. **ENVIRONMENTAL MANAGER**

Date
11-29-30

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

Federal Approval of this
Action is Necessary

RECEIVED
NOV 22 2006

U.S. DEPT. OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OIL, GAS & MINING

T10S, R21E, S.L.B.&M.

SE Cor. Sec. 33
1977 Brass Cap
1.3' High, Pile of
Stones, Steel Post

EOG RESOURCES, INC.

Well location, NATURAL COTTON #67-4,
located as shown in the NE 1/4 SW 1/4 of
Section 4, T10S, R21E, S.L.B.&M., Uintah
County, Utah.

BASIS OF ELEVATION

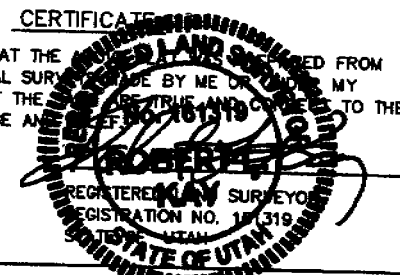
TWO WATER TRIANGULATION STATION LOCATED IN
THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M.
TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE,
UTAH, UTAH COUNTY, 7.5 MINUTE QUAD.
(TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED
STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL
SURVEY. SAID ELEVATION IS MARKED AS BEING
5238 FEET.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE
FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE BEARINGS AND DISTANCES TO THE
BEST OF MY KNOWLEDGE AND BELIEF ARE TRUE AND CORRECT.



UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 09-12-06	DATE DRAWN: 09-19-06
PARTY G.S. K.C. S.L.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE EOG RESOURCES, INC.	

S 1/4 Cor.
Sec. 32
Brass Cap
N89°10'33"E -
2731.23' (Meas.)

S 1/4 Cor. Sec. 33 1977 Brass
Cap 2.0' High, Pile of Stones

33

N89°05'51"E - 2601.62' (Meas.)

T9S
T10S

N00°50'47"W - 2749.74' (Meas. TO C.C.)
N00°50'47"W - 2745.86' (Meas. TO TRUE)

N00°50'29"W - 2673.43' (Meas.)

C.C. Brass
Cap

SW Cor. Sec. 33
1977 Brass Cap
0.5' High, Pile of
Stones, Steel Post

C.C. Brass
Cap

C.C. Brass Cap,
Steel Post

LOT 4

LOT 3

LOT 2

LOT 1

1977 Brass Cap
0.5' High, Steel
Post, Pile of
Stones

Brass Cap

LINE TABLE		
LINE	BEARING	LENGTH
L1	N88°59'09"E	308.00'
L2	N89°09'40"E	236.64'
L3	S89°47'08"E	199.21'

1484'

NATURAL COTTON #67-4
Elev. Ungraded Ground = 5021'

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

1977 Brass Cap
0.3' Above 1.0'
High Pile of
Stones

S89°12'31"W - 2663.90' (Meas.)

N89°11'22"E - 2664.79' (Meas.)

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 39°58'24.94" (39.973594)
LONGITUDE = 109°33'41.00" (109.561389)
(NAD 27)
LATITUDE = 39°58'25.07" (39.973631)
LONGITUDE = 109°33'38.52" (109.560700)

EIGHT POINT PLAN

NATURAL COTTON 67-04 NE/SW, SEC. 04, T10S, R21E, S.L.B.&M. UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	DEPTH (KB)
Uinta FM	16'
Green River FM	1,480'
Mahogany Oil Shale Bed	2,139'
Garden Gulch MBR	2,178'
Middle Carb Bed	2,916'
Douglas Creek MBR	3,573'
Castle Peak MBR	4,198'
Uteland Butte MBR	4,530'
Wasatch	4,644'

EST. TD: 4,750' or 200' \pm below Uteland Butte Top Anticipated BHP: 2,345 Psig

1. Fresh Waters may exist in the upper, approximately 1,000 ft \pm of the Green River Formation, with top at about 2,000 ft \pm .
2. Cement isolation is installed to surface of the well isolating all zones by cement.

3. PRESSURE CONTROL EQUIPMENT: Production Hole - 5,000 Psig
BOP Schematic Diagram attached.

4. CASING PROGRAM:

	<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>RATING FACTOR</u>		
							<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
Surface	12-1/4"	0' - 500'KB \pm	9-5/8"	36.0#	J-55	STC	2020 Psi	3520 Psi	394,000#
Production:	7-7/8"	500' \pm - TD	5-1/2"	17.0#	J-55	LTC	4910 Psi	5320 Psi	247,000#

All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0 - 500' \pm Below GL):

Guide Shoe

Insert Float Collar (PDC drillable)

Centralizers: 1 - 5-10' above shoe, every collar for next 3 joints (4 total).

Production Hole Procedure (500' \pm - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-1/2", 11.6#, J-55 or equivalent marker collars or short casing joints to be placed 400' above top of Garden Gulch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Garden Gulch top. (15 \pm total). Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

EIGHT POINT PLAN

NATURAL COTTON 67-04
NE/SW, SEC. 04, T10S, R21E, S.L.B.&M.
UINTAH COUNTY, UTAH

6. MUD PROGRAM:

Surface Hole Procedure (0 - 500' ± below GL):

Air/air mist or aerated water

Production Hole Procedure (500' ± - TD):

Anticipated mud weight 9.0 – 9.5 ppg depending on actual wellbore condition encountered while drilling.

500'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

7. VARIANCE REQUESTS:

Reference: Onshore Oil and Gas Order No. 2 – Item E: Special Drilling Operations

EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. Due to reduce location excavation, the blooie line will be approximately 75' in length

8. EVALUATION PROGRAM:

Logs: Mud log from base of surface casing to TD.
Open-hole Logs: **BHC (Schlumberger Borehole Compensated Sonic)**
Schlumberger Platform Express consisting: of Open-hole gamma ray, resistivity, bulk density, and neutron porosity

EIGHT POINT PLAN

NATURAL COTTON 67-04
NE/SW, SEC. 04, T10S, R21E, S.L.B.&M.
UINTAH COUNTY, UTAH

9. **CEMENT PROGRAM:**

Surface Hole Procedure (0-500' ± Below GL)

Lead: 275 sks. (100% excess volume) Class 'G' cement with 2% S1 (CaCl₂) & 0.25 pps D29 (cellophane flakes), mixed at 15.8 ppg, 1.16 ft³/sk., 4.95 gps water.

Top Out: Top out with Class 'G' cement with 2% S1 (CaCl₂) in mix water, 15.8 ppg, 1.16 ft³/sk., 4.95 gps via 1" tubing set at 25' if needed.

Install 6' x 4' cellar ring, drill rat and mouse holes with spud rig.

Note: **Cement volumes will be calculated to bring cement to surface.**

Production Hole Procedure (500' ± to TD)

Lead: 255 sks: 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 ft³/sk., 9.19 gps water.

Tail: 595 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9gps water.

Note: The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Garden Gulch MBR.
Final Cement volumes will be based upon gauge-hole plus 45% excess.

10. **ABNORMAL CONDITIONS:**

Surface Hole (Surface - 500'±):

Lost circulation

Production Hole (500'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Garden Gulch Formation.

EIGHT POINT PLAN

NATURAL COTTON 67-04
NE/SW, SEC. 04, T10S, R21E, S.L.B.&M.
UINTAH COUNTY, UTAH

11. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

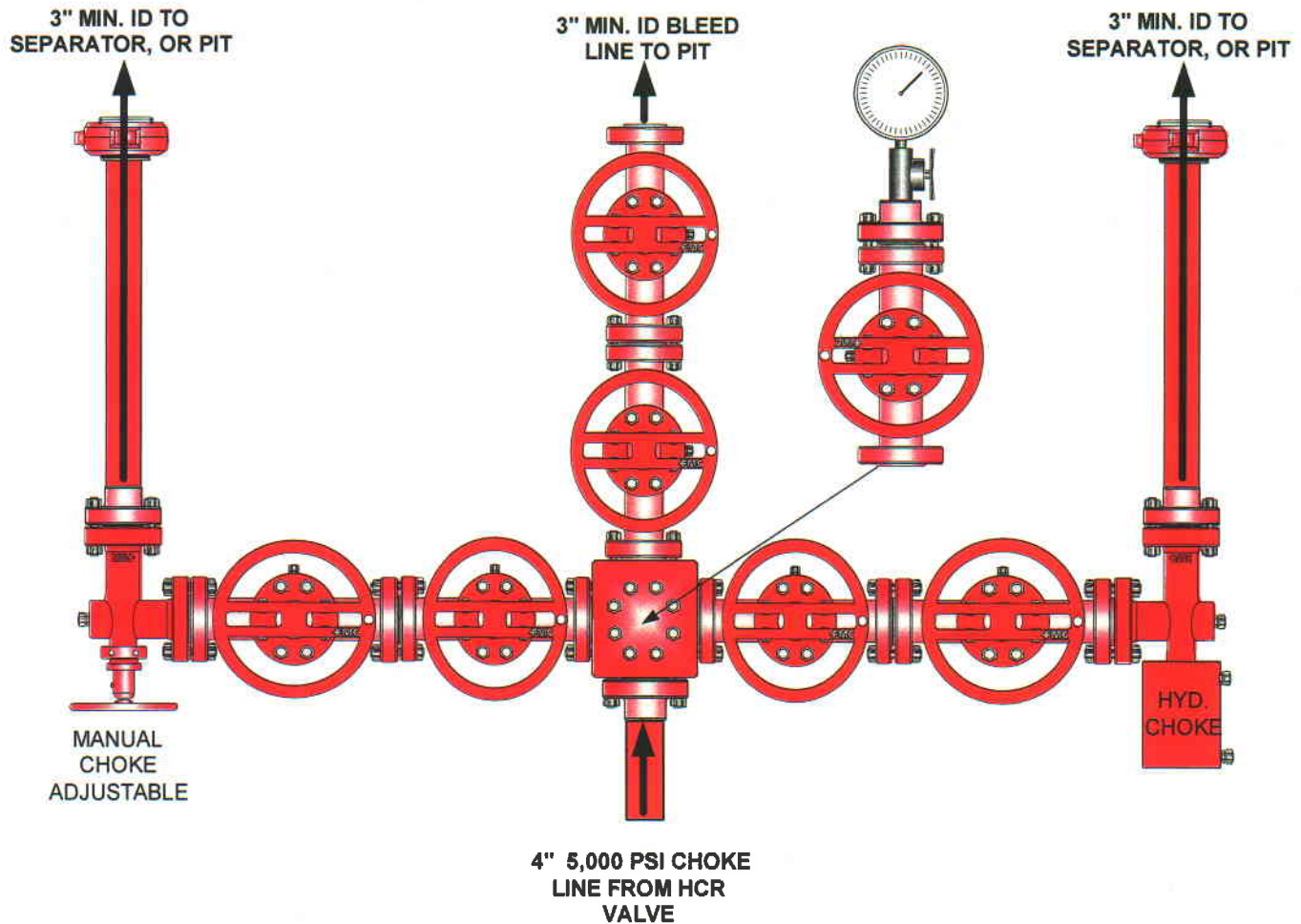
12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

(Attachment: BOP Schematic Diagram)

**EOG RESOURCES CHOKE MANIFOLD CONFIGURATION
W/ 5,000 PSI WP VALVES**

PAGE 2 OF 2

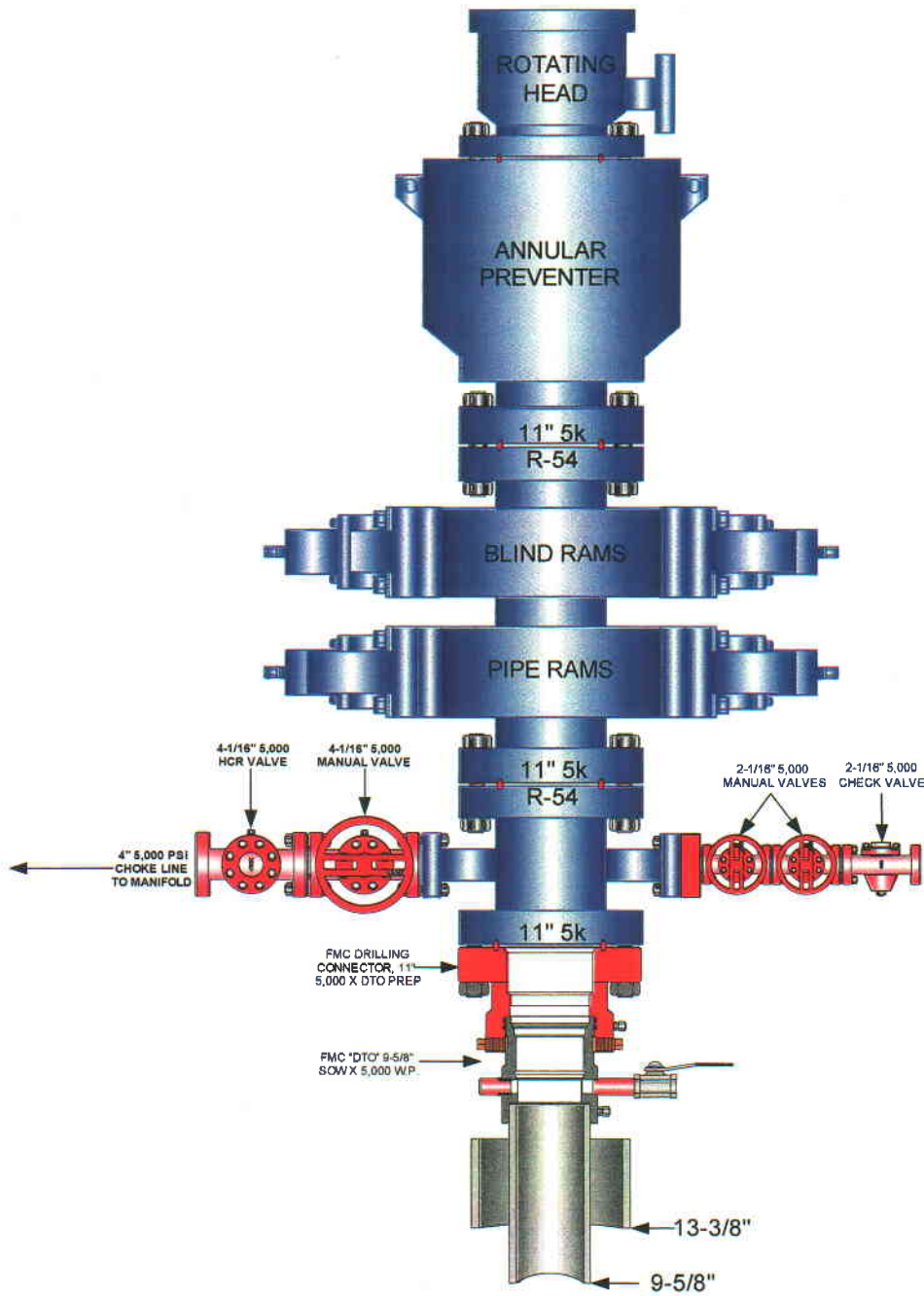


Testing Procedure:

1. BOP will be tested with a professional tester to conform to Onshore Order #2.
2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
3. Annular Preventer will be tested to 50% working pressure, 2,500 psi.
Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, **whichever is greater.**
4. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
5. All BOPE specifications and configurations will meet Onshore Order #2 requirements.

**EOG RESOURCES 11" 5,000 PSI W.P. BOP
CONFIGURATION**

PAGE 1 OF 2





**NATURAL COTTON 67-4
NE/SW, Section 4, T10S, R21E
Uintah County, Utah**

SURFACE USE PLAN

NOTIFICATION REQUIREMENTS

- | | |
|----------------------------------|--|
| Location Construction: | Forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion: | Prior to moving on the drilling rig. |
| Spud Notice: | At least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing: | Twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and related Equipment Tests: | Twenty-four (24) hours prior to running casing and tests. |
| First Production Notice: | Within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

The well pad is approximately 325 feet long with a 246-foot width, containing 1.84 acres more or less. New surface disturbance associated with the well pad is estimated to be approximately 1.84 acres.

1. EXISTING ROADS:

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 48.9 miles south of Vernal, Utah – See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing access road shall be re-routed around the western edge of the well pad.
- E. Existing roads will be maintained and repaired as necessary.

2. PLANNED ACCESS ROAD:

No new access road will be required.

Traveling off the 30 foot right-of-way will not be allowed. The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition, and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. During the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and drainage ditches and culverts will be kept clear and free flowing.

3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS:

See attached TOPO map "C" for the location of wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES:

A. On Well Pad

- 1. The location shall be located on existing Natural Buttes Unit 207-4 location.
- 2. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, two (2) 400 BBL vertical tanks and attaching piping.
- 3. Gas gathering lines – A 4" gathering line will be buried from dehy to the edge of the location.

B. Off Well Pad

Proposed well shall tie-in to an existing pipeline located on Natural Buttes Unit 207-4.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. **All existing and proposed facilities will be painted with Carlsbad Canyon.** Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. Water supply will be from Ouray Municipal Water Plant at Ouray, Utah, and/ or Target Trucking Inc.'s water source in the SW/SW. Sec 35, T9S, R22E Uintah County, Utah (State Water Right # 49-1501, and/or Bonanza Power Plant water source in Sec 26, T8S, R23E Uintah County, UT (State Water Right # 49-225(A31368)). Water will be hauled by a licensed trucking company.
- B. Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.
- B. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
- 4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the

produced water will be contained in a tank on location and then disposed of at one of the following three locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or by removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with felt, and a 16 millimeter plastic liner.

EOG Resources, Inc. maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/ stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and EHS and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

8. ANCILLARY FACILITIES:

None anticipated.

9. WELL SITE LAYOUT:

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.

The reserve pit will be located on the west corner of the location. The flare pit will be located downwind of the prevailing wind direction on the south side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The reserve pit will be located on the west corner of the location. The flare pit will be located downwind of the prevailing wind direction on the south side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled pit topsoil will be stored separate from the location topsoil north of Corner #5. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the west.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.)
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distances between any two posts shall be no greater than 16 feet.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is regularly traveled. If the well is a producer, the cattleguards (~~shall~~/~~shall not~~) be permanently counted on concrete bases. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RECLAMATION OF THE SURFACE:

A. Producing Location

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

Seed Mixture	Drilled Rate (lbs./acre PLS*)
Crested Wheatgrass	9.0
Prostrate Kochia	3.0

*Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

B. Dry Hole/Abandoned Location

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriated surface rehabilitation conditions of approval.

Seed Mixture	Drilled Rate (lbs./acre PLS*)
Gardner saltbush	3.0
Shadscale	3.0
Crested Wheatgrass	3.0

*Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

11. SURFACE OWNERSHIP:

Surface ownership of the proposed well site, access road, and pipeline route is as follows:

Bureau of Land Management

12. OTHER INFORMATION:

- A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Within five working days the Authorized Officer will inform the operator as to:

- Whether the materials appear eligible for the National Register of Historic Places;
- The mitigation measures the operator will likely have to undertake before the site can be used.
- A time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application or herbicides or other pesticides or possible hazardous chemicals.
- C. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.
- D. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage

on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice of Lessees. The operator is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Construction activity will not be conducted using frozen or saturated soils material or during periods when watershed damage is likely to occur.

If the existing access road, proposed access road, and proposed pad are dry during construction, drilling, and completion activities, water will be applied to help facilitate compaction during construction and to minimize soil loss as a result of wind erosion.

A cultural resources survey was conducted and will be submitted by Montgomery Archaeological Consultants. A Paleontology survey was conducted and submitted October 30, 2006 by Intermountain Paleontology.

LESSEE OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:

PERMITTING AGENT

Kaylene R. Gardner
EOG Resources, Inc.
P.O. Box 1815
Vernal, Ut 84078
(435) 781-9111

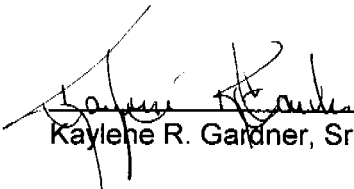
DRILLING OPERATIONS

Donald Presenkowski
EOG Resources, Inc.
P.O. Box 250
Big Piney, WY 83113
307-276-4865

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that EOG Resources, Inc. is considered to be the operator of the Natural Cotton 67-4 Well, located in the NESW, of Section 4, T10S, R21E, Uintah County, Utah; Federal land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

November 20, 2006
Date



Kaylene R. Gardner, Sr. Regulatory Assistant

Request for Exception to Buried Pipeline Requirement
Natural Cotton 67-4
NESW, Sec. 4, T10S, R21E
U-01393-B

EOG Resources, Inc. requests a variance to the requirement for a buried gas sales pipeline for the referenced well for the following reasons:

1. In order to bury pipe on the gas sales line route, additional surface disturbance relative to surface pipeline would be approximately 50' X Length acres.
2. Ripping, cutting, or blasting of rock would be required, which in turn would leave long-term spoils on the right-of-way.
3. The disturbed soils on the pipeline corridor would be difficult to rehabilitate and would be susceptible to noxious weed infestation, which in turn would be hazardous to livestock.
4. Supplemental soil to replace removed rock would need to be hauled in from other locations to provide bedding and cover material.
5. The buried pipe would need to be coated and/or wrapped to minimize the potential for corrosion-caused gas leaks and blowouts.
6. Burying of pipe next to access roads increases the potential for damage, explosion, and fire when using graders and/or dozers for snow removal or road rehabilitation.
7. Surface equipment, including risers with blow down valves and pipeline markers will be required, adding to negative visual impact.
8. Disturbance of previously rehabilitated pipeline corridor could be necessary if increasing well density requires crossing of the corridor or location construction on the corridor.
9. Pipeline corridors subject to poor rehabilitation characteristics are susceptible to high rates of soil erosion.
10. Buried shallow pipelines in low areas subject to the occasional presence of standing water are susceptible to movement and surfacing.

EOG RESOURCES, INC.

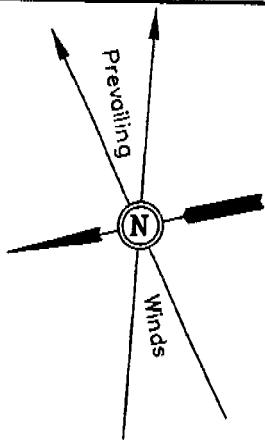
NATURAL COTTON #67-4 SECTION 4, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES ON STATE HIGHWAY 88 TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION FROM OURAY APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING OILFIELD SERVICE ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 3.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY, THEN NORTHWESTELRY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY, THEN NORTHWESTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 1.5 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE PROPOSED LOCATION.

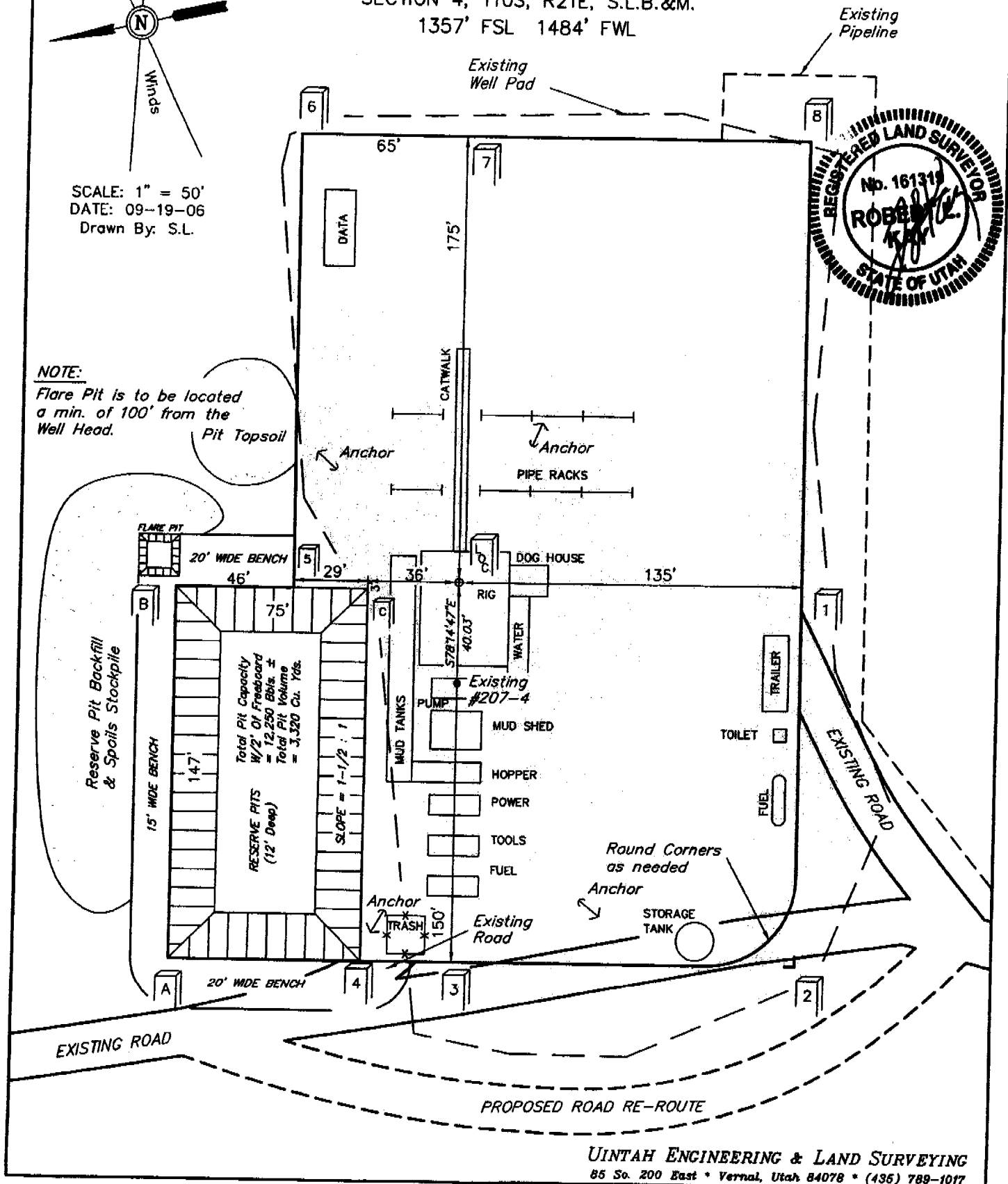
TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 48.85 MILES.

LOCATION LAYOUT FOR
NATURAL COTTON #67-4
SECTION 4, T10S, R21E, S.L.B.&M.
1357' FSL 1484' FWL

Existing
Well Pad



Flare Pit is to be located
a min. of 100' from the
Well Head.



UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

EOG RESOURCES, INC.
NATURAL COTTON #67-4
LOCATED IN UINTAH COUNTY, UTAH
SECTION 4, T10S, R21E, S.L.B.&M.

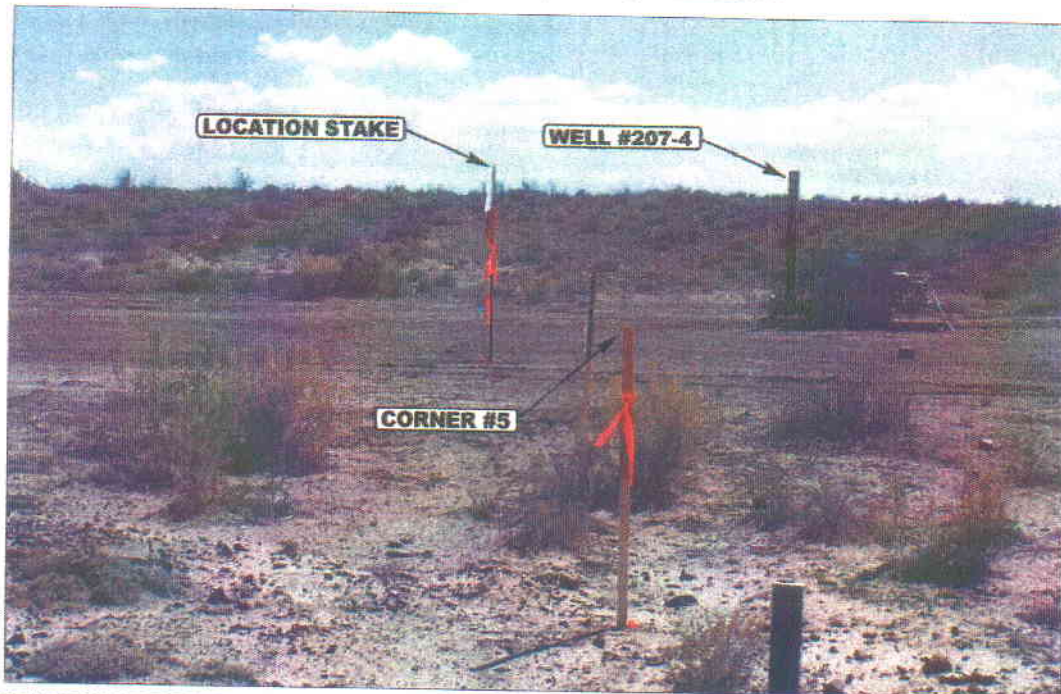


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: NORTHEASTERLY



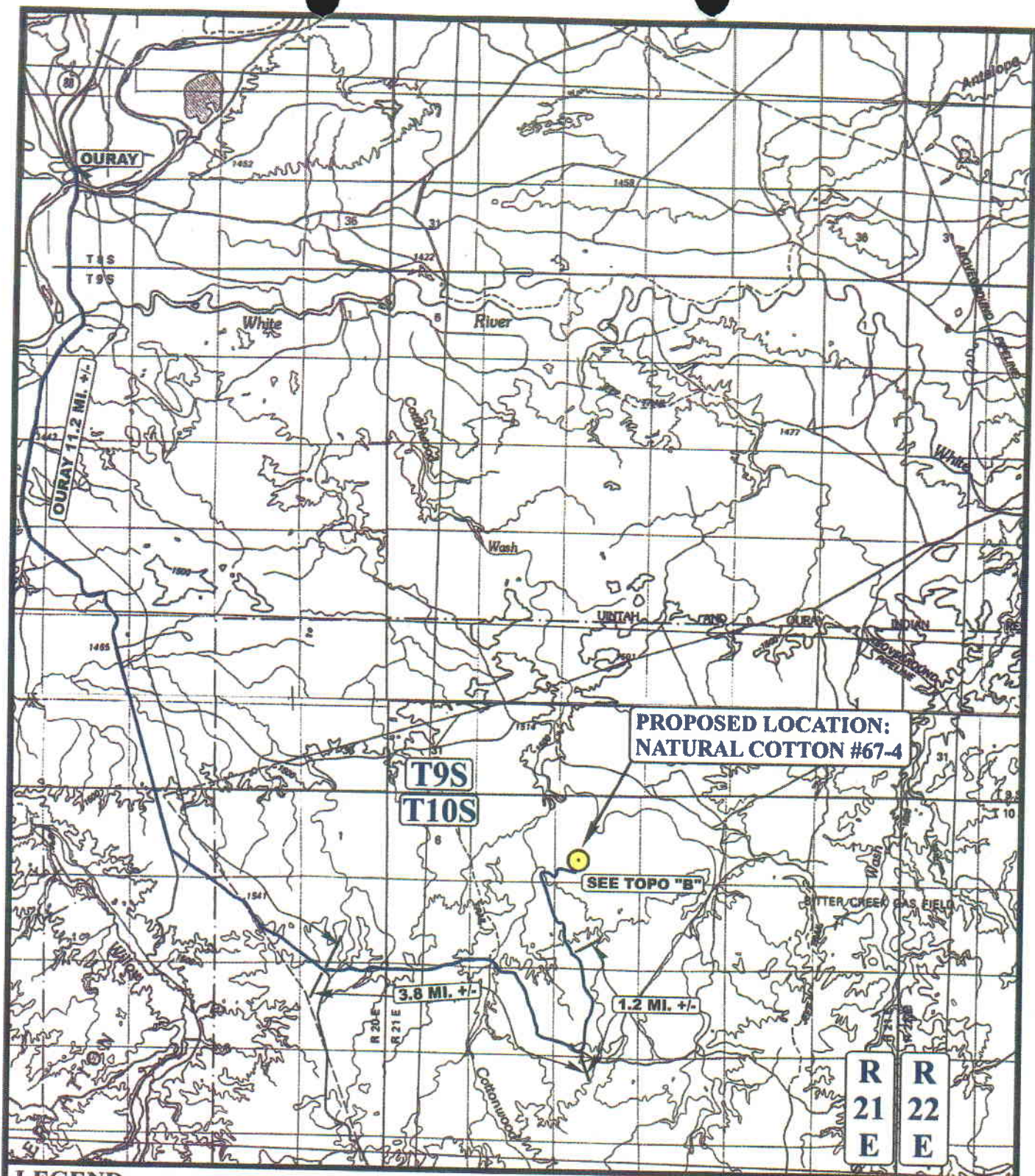
U E L S Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

09 18 06
MONTH DAY YEAR

PHOTO

TAKEN BY: G.S. DRAWN BY: L.K. REVISED: 00-00-00



LEGEND:

 PROPOSED LOCATION

EOG RESOURCES, INC.

NATURAL COTTON #67-4
SECTION 4, T10S, R21E, S.L.B.&M.
1357' FSL 1484' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

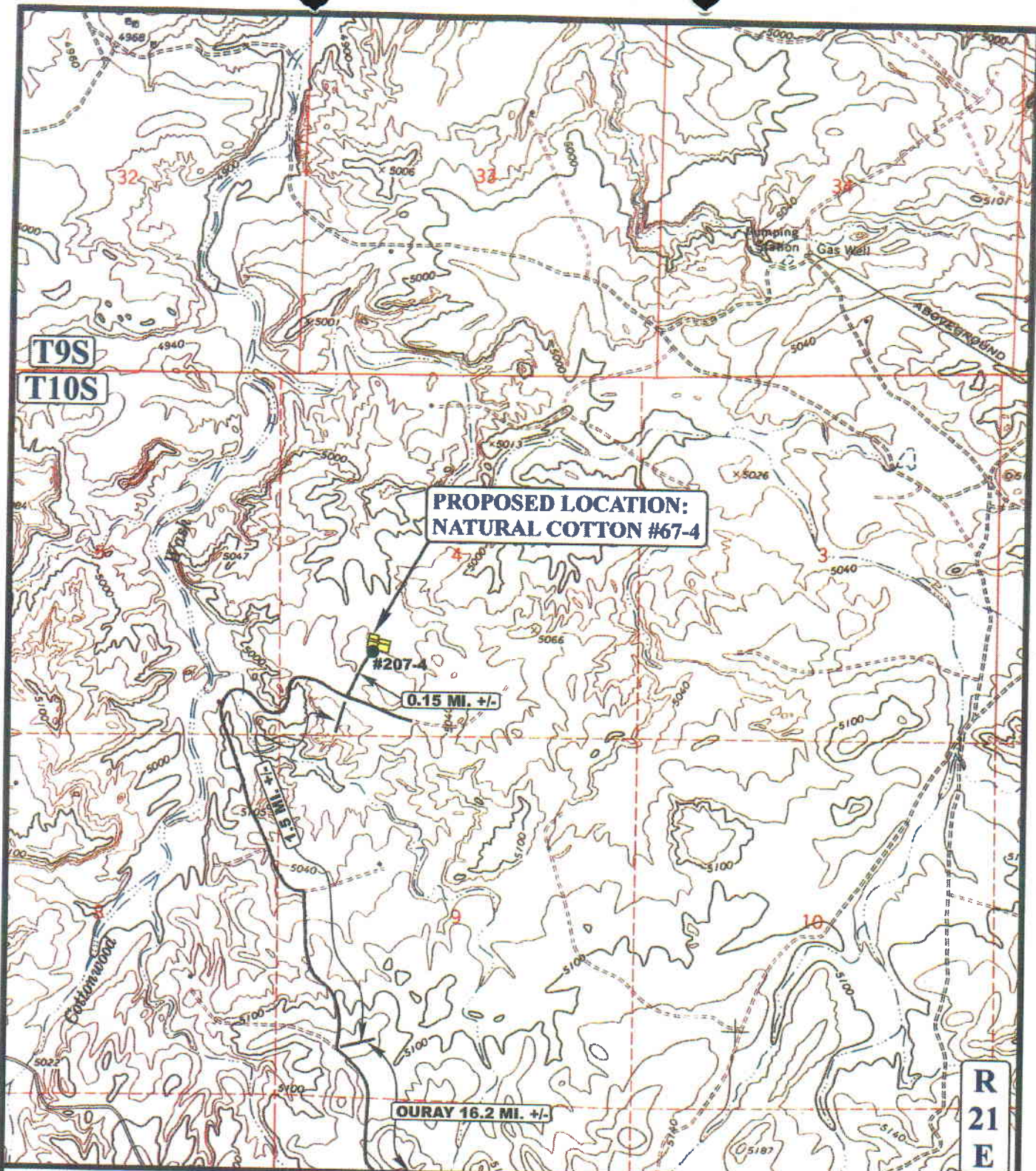


TOPOGRAPHIC
MAP

09 18 06
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 00-00-00

A
TOPO



LEGEND:

----- PROPOSED ACCESS ROAD
 ----- EXISTING ROAD

EOG RESOURCES, INC.

NATURAL COTTON #67-4
SECTION 4, T10S, R21E, S.L.B.&M.
1357' FSL 1484' FWL



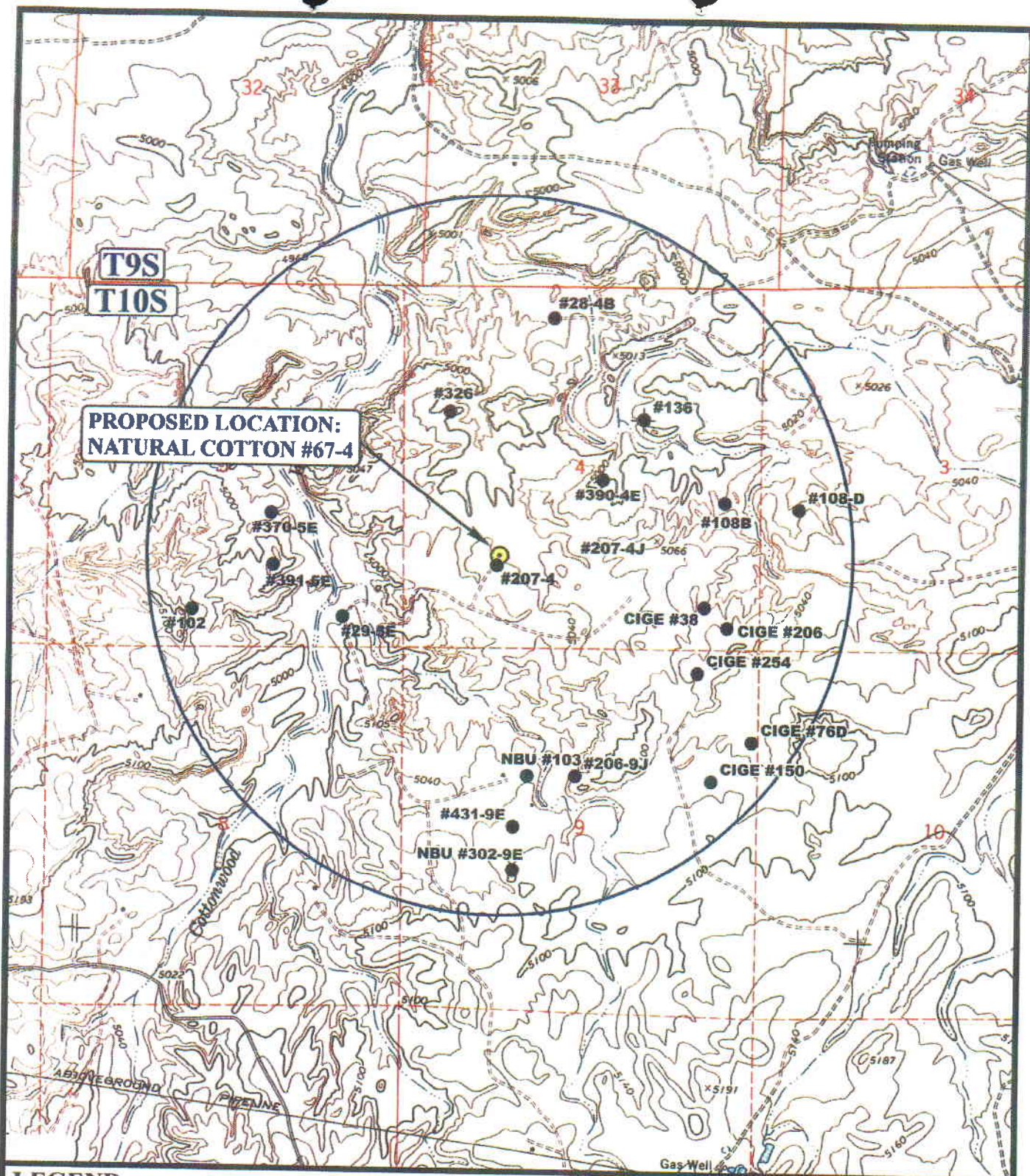
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

09 18 06
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00

B
TOPO



LEGEND:

- Ø DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

EOG RESOURCES, INC.

NARTUAL COTTON #67-4
SECTION 4, T10S, R21E, S.L.B.&M.
1357' FSL 1484' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC
MAP

09 18 06
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00

C
TOPO

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/22/2006

API NO. ASSIGNED: 43-047-38884

WELL NAME: NATURAL COTTON 67-4

OPERATOR: EOG RESOURCES INC (N9550)

CONTACT: KAYLENE GARDNER

PHONE NUMBER: 435-781-9111

PROPOSED LOCATION:

NESW 04 100S 210E

SURFACE: 1357 FSL 1484 FWL

BOTTOM: 1357 FSL 1484 FWL

COUNTY: UINTAH

LATITUDE: 39.97352 LONGITUDE: -109.5607

UTM SURF EASTINGS: 622912 NORTHINGS: 4425600

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-01393-B

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: GRRV

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. NM 2308)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 49-1501)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

☐ R649-2-3.
Unit: NATURAL BUTTES *✓ NON PA*
☐ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☐ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 197-1
Eff Date: 4-29-1982
Siting: 1000' ex. drl unit standard
☐ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Ederg approved
2- On SALE

NBU 92I-33M

NBU 98V

T9S R21E

T10S R21E

NBU 102I-4B
102I-4B

NBU 28-4B

CIGE 81D

NBU 326-4E

NBU 102I-4G
102I-4G
CIGE B36

NBU 102I-4H

CIGE 93D

NBU 390-4E

NBU 102I-3L

NATURAL BUTTES UNIT **NATURAL BUTTES FIELD**

CAUSE: 197-1 / 4-29-1982

NBU 102I-4J

CIGE 108D

NBU 207-4J

NATURAL
COTTON 67-4

NBU 345-4E
NBU 345-4E

CIGE 38

CIGE 206

CIGE 254

OPERATOR: EOG RESOURCES INC (N9550)

SEC: 4 T.10S R. 21E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

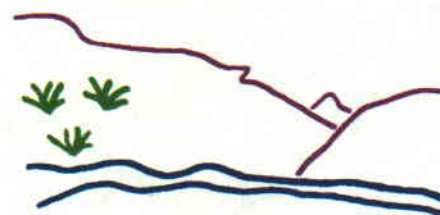
CAUSE: 197-1 / 4-29-1982

Field Status
 [] ABANDONED
 [] ACTIVE
 [] COMBINED
 [] INACTIVE
 [] PROPOSED
 [] STORAGE
 [] TERMINATED

Unit Status
 [] EXPLORATORY
 [] GAS STORAGE
 [] NF PP OIL
 [] NF SECONDARY
 [] PENDING
 [] PI OIL
 [] PP GAS
 [] PP GEOTHERML
 [] PP OIL
 [] SECONDARY
 [] TERMINATED

Wells Status

[] GAS INJECTION
 [] GAS STORAGE
 [] LOCATION ABANDONED
 [] NEW LOCATION
 [] PLUGGED & ABANDONED
 [] PRODUCING GAS
 [] PRODUCING OIL
 [] SHUT-IN GAS
 [] SHUT-IN OIL
 [] TEMP. ABANDONED
 [] TEST WELL
 [] WATER INJECTION
 [] WATER SUPPLY
 [] WATER DISPOSAL
 [] DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 29-NOVEMBER-2006



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

November 29, 2006

EOG Resources, Inc.
1060 East Highway 40
Vernal, UT 84078

Re: Natural Cotton 67-4 Well, 1357' FSL, 1484' FWL, NE SW, Sec. 4, T. 10 South,
R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38884.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor (via e-mail)
Bureau of Land Management, Vernal District Office

Operator: EOG Resources, Inc.
Well Name & Number Natural Cotton 67-4
API Number: 43-047-38884
Lease: U-01393-B

Location: NE SW Sec. 4 T. 10 South R. 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

RECEIVED

Form 3160-3
(February 2005)

NOV 21 2006

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BLM VERNAL, UTAH

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. U-01393-B	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator EOG RESOURCES, INC		7. If Unit or CA Agreement, Name and No.	
3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078		8. Lease Name and Well No. NATURAL COTTON 67-4	
3b. Phone No. (include area code) 435-781-9111		9. API Well No. 43-047-38884	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1357 FSL 1484 FWL NESW 39.973594 LAT 109.561389 LON At proposed prod. zone SAME		10. Field and Pool, or Exploratory NATURAL BUTTES	
14. Distance in miles and direction from nearest town or post office* 48.9 MILES SOUTH OF VERNAL, UTAH		11. Sec., T. R. M. or Blk. and Survey or Area SECTION 4, T10S, R21E S1L, B.&M	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1156 DRILLING LINE 1156 LEASE LINE	16. No. of acres in lease 649	17. Spacing Unit dedicated to this well 160	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 4750	20. BLM BIA Bond No. on file NM 2308	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5021 GL	22. Approximate date work will start*	23. Estimated duration 45 DAYS	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed Typed) KAYLENE R. GARDNER	Date 11/20/2006
Title SR. REGULATORY ASSISTANT		
Approved by (Signature) 	Name (Printed Typed) JERRY KERVELLA	Date 5-3-2007
Title Assistant Field Manager Lands & Mineral Resources		
Office VERNAL FIELD OFFICE		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

CONDITIONS OF APPROVAL ATTACHED

NOTICE OF APPROVAL

RECEIVED

MAY 14 2007

DIV. OF OIL, GAS & MINING

NCS 10/3/06
07PPC622A



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: EOG Resources **Location:** NESW, Sec. 4, T10S, R21E
Well No: Natural Cotton 67-4 **Lease No:** UTU-01393-B
API No: 43-047-38884 **Agreement:** N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	435-781-4490	435-828-4470
Petroleum Engineer:	Michael Lee	435-781-4432	435-828-7875
Petroleum Engineer:	James Ashley	435-781-4470	435-828-7874
Petroleum Engineer:	Ryan Angus	435-781-4430	435-828-7368
Supervisory Petroleum Technician:	Jamie Sparger	435-781-4502	435-828-3913
NRS/Enviro Scientist:	Paul Buhler	435-781-4475	435-828-4029
NRS/Enviro Scientist:	Karl Wright	435-781-4484	
NRS/Enviro Scientist:	Holly Villa	435-781-4404	
NRS/Enviro Scientist:	Melissa Hawk	435-781-4476	435-828-7381
NRS/Enviro Scientist:	Chuck MacDonald	435-781-4441	
NRS/Enviro Scientist:	Jannice Cutler	435-781-3400	
NRS/Enviro Scientist:	Michael Cutler	435-781-3401	
NRS/Enviro Scientist:	Anna Figueroa	435-781-3407	
NRS/Enviro Scientist:	Verlyn Pindell	435-781-3402	
NRS/Enviro Scientist:	Darren Williams	435-781-4447	
NRS/Enviro Scientist:	Nathan Packer	435-781-3405	
After Hours Contact Number: 435-781-4513		Fax: 435-781-4410	

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify NRS/Enviro Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify NRS/Enviro Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supervisory Petroleum Technician)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings
BOP & Related Equipment Tests (Notify Supervisory Petroleum Technician)	-	Twenty-Four (24) hours prior to initiating pressure tests
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

General Surface COAs

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer AO. A report will be prepared by a BLM permitted paleontologist and submitted to the AO at the completion of surface disturbing activities.

Specific Surface COAs

Conditions are in the APD

- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt. During interim management of the surface, use the following seed mix:
 - 9 lbs of Hycrest Crested Wheatgrass and 3 lbs of Kochia Prostrata.
- No drilling or construction during the Pronghorn Kidding season from 5/15 to 6/20

DOWNHOLE CONDITIONS OF APPROVAL

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- Production casing cement shall be brought up and into the surface casing. The minimum cement top is 200 ft above the surface casing shoe.
 - COA specification is consistent with operators performance standard stated in APD.
- A variance is granted for Onshore Order #2 Drilling Operations III. E. "Blooie line discharge 100 feet from well bore and securely anchored". Blooie line can be 75 feet.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment BOPE shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources such as Gilsonite, tar sands, oil shale, trona, etc. to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well

location, date and depth from KB or GL of encounter, vertical footage of the encounter and, the name of the person making the report along with a telephone number shall the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log CBL will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" Oil and Gas Operations Report OGOR starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 303 231-3650 for reporting information.
- Shall the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location ¼¼, Sec., Twn, Rng, and P.M..
 - Date well was placed in a producing status date of first production for which royalty will be paid.
 - The nature of the well's production, i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons.
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees NTL 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events fires, accidents, blowouts, spills, discharges as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" BLM Form 3160-4 shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including,

at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples cuttings, fluid, and/or gas shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" Form BLM 3160-5 must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: U-01393-B
2. NAME OF OPERATOR: EOG Resources, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (303) 824-5526		8. WELL NAME and NUMBER: Natural Cotton 67-04
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1357' FSL & 1484' FWL 39.973594 LAT 109.561389 LON		9. API NUMBER: 43-047-38884
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 4 10S 21E S.L.B. & M		10. FIELD AND POOL, OR WILDCAT: Green River
COUNTY: Uintah		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: APD extension request
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 11-08-07
By: [Signature]

NAME (PLEASE PRINT) Mary A. Maestas	TITLE Regulatory Assistant
SIGNATURE [Signature]	DATE 11/6/2007

(This space for State use only)

COPY SENT TO OPERATOR
Date: 11-9-07
Initials: RM

(5/2000)

(See Instructions on Reverse Side)

RECEIVED

NOV 07 2007

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-38884
Well Name: Natural Cotton 67-04
Location: 1357 FSL - 1484 FWL (NESW), SECTION 4, T10S, R21E S.L.B.&M
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 11/29/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

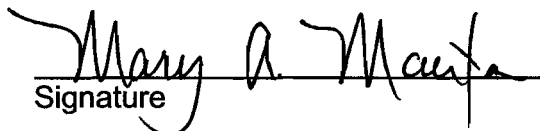
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

11/6/2007

Date

Title: Regulatory Assistant

Representing: EOG RESOURCES, INC.

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NOV 07 2007
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS MAY 02 2008
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

BLM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU01393B
2. Name of Operator EOG RESOURCES INC		6. If Indian, Allottee or Tribe Name
3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 435-781-9111		8. Well Name and No. NATURAL COTTON 67-4
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 4 T10S R21E NESW 1357FSL 1484FWL		9. API Well No. 43-047-38884-00-X1
		10. Field and Pool, or Exploratory NATURAL BUTTES
		11. County or Parish, and State UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Change to Original APD

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Respectfully requests the referenced APD originally approved 5/3/2007 be extended for the period of one year.

VERNAL DIST.
ENG. _____
GEOL. _____
E.S. _____
PET. _____
A.M. _____

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct. Electronic Submission #60061 verified by the BLM Well Information System For EOG RESOURCES INC, sent to the Vernal Committed to AFMSS for processing by GAIL JENKINS on 05/02/2008 (08GXJ3762SE)	
Name (Printed/Typed) KAYLENE R GARDNER	Title LEAD REGULATORY ASSISTANT
Signature (Electronic Submission)	Date 05/02/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>Matt Baker</u>	Petroleum Engineer	MAY 06 2008
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UDOGM

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

RECEIVED
MAY 23 2008

CONDITIONS OF APPROVAL

EOG Resources Inc.

Notice of Intent APD Extension

Lease: UTU-01393B
Well: North Cotton 67-4
Location: NESW Sec 4-T10S-R21E

An extension for the referenced APD is granted with the following conditions:

1. The extension and APD shall expire on 05/03/09
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Matt Baker of this office at (435) 781-4490

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
UTU01393B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.
NATURAL BUTTES UN

8. Well Name and No.
NATURAL BUTTES UNIT 766-04E

9. API Well No.
43-047-38884

10. Field and Pool, or Exploratory
NATURAL BUTTES

11. County or Parish, and State
UINTAH COUNTY, UT

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator EOG RESOURCES, INC.	
Contact: KAYLENE R GARDNER E-Mail: kaylene_gardner@eogresources.com	
3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 435-781-9111
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 4 T10S R21E NESW 1357FSL 1484FWL 39.97359 N Lat, 109.56139 W Lon	

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Resources, Inc. respectfully requests authorization to change the TD for the referenced well,

From: 4750 - Green River Formation

New: 7844 - Wasatch Formation

COPY SENT TO OPERATOR

Date: 10.21.2008

Initials: KS

*Federal Approval of this
Action is Necessary*

RECEIVED
OCT 15 2008

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct. Electronic Submission #63802 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal	
Name (Printed/Typed) <u>KAYLENE R GARDNER</u>	Title <u>REGULATORY ADMINISTRATOR</u>
Signature <u>[Signature]</u> (Electronic Submission)	Date <u>10/13/2008</u>

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>[Signature]</u>	Title <u>BRADLEY G. HILL</u>	Date <u>10-2-08</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.		

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

EIGHT POINT PLAN

NATURAL BUTTES UNIT 766-04E NE/SW, SEC. 4, T10S, R21E, S.L.B.&M.. UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	TVD-RKB (ft)	Objective	Lithology	
Green River	1,476		Shale	
Mahogany Oil Shale Bed	2,135		Shale	
Wasatch	4,654	Primary	Sandstone	Gas
Chapita Wells	5,295	Primary	Sandstone	Gas
Buck Canyon	5,982	Primary	Sandstone	Gas
North Horn	6,569	Primary	Sandstone	Gas
KMV Price River	7,593	Primary	Sandstone	Gas
TD	7,844			

Estimated TD: 7,844' or 200'± below TD

Anticipated BHP: 4,283 Psig

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig

BOP schematic diagrams attached.

4. CASING PROGRAM:

CASING	Hole Size	Length	Size	WEIGHT	Grade	Thread	Rating Collapse	Factor Burst	Tensile
Conductor	17 ½"	0 – 45'	13 ¾"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12 ¼"	0' – 2,300' KB±	9-5/8"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production	7-7/8"	Surface – TD	4-½"	11.6#	N-80	LTC	6350 PSI	7780 Psi	233,000#

Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-5/8" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

EIGHT POINT PLAN

NATURAL BUTTES UNIT 766-04E **NE/SW, SEC. 4, T10S, R21E, S.L.B.&M..** **UINTAH COUNTY, UTAH**

5. Float Equipment:

Surface Hole Procedure (0' - 2300'±)

Guide Shoe

Insert Float Collar (PDC drillable)

Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD):

Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

2300'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

EIGHT POINT PLAN

NATURAL BUTTES UNIT 766-04E **NE/SW, SEC. 4, T10S, R21E, S.L.B.&M..** **UINTAH COUNTY, UTAH**

7. VARIANCE REQUESTS:

Reference: **Onshore Oil and Gas Order No. 1**
 Onshore Oil and Gas Order No. 2 – Section E: Special Drilling Operations

- EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).
- EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring dedusting equipment. Dust during air drilling operations is controlled by water mist.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring an automatic igniter or continuous pilot light on the blooie line. (Not required on aerated water system).
- EOG Resources, Inc. requests a variance that compressors are located in the opposite direction from the blooie line a minimum of 100 feet from the well bore. (Air Compressors are rig mounted).

8. EVALUATION PROGRAM:

Logs: Mud log from base of surface casing to TD.

Cased-hole Logs: Cased-hole logs will be run in lieu of open-hole logs consisting of the following: **Cement Bond / Casing Collar Locator and Pulsed Neutron**

EIGHT POINT PLAN

NATURAL BUTTES UNIT 766-04E **NE/SW, SEC. 4, T10S, R21E, S.L.B.&M..** **UINTAH COUNTY, UTAH**

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

- Lead:** 185 sks Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% CaCl₂, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft³/sk. yield, 23 gps water.
- Tail:** 207 sks Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps water.
- Top Out:** As necessary with Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps water.
- Note:** Cement volumes will be calculated to bring lead cement to surface and tail cement to 500' above the casing shoe.

Production Hole Procedure (2300'± - TD)

- Lead:** 131 sks: Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt), 0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft³/sk., 24.5 gps water.
- Tail:** 645 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9gps water.
- Note:** The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

Final Cement volumes will be based upon gauge-hole plus 45% excess.

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

EIGHT POINT PLAN

NATURAL BUTTES UNIT 766-04E **NE/SW, SEC. 4, T10S, R21E, S.L.B.&M..** **UINTAH COUNTY, UTAH**

11. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

13. Air Drilling Operations:

1. Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.
2. Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.
3. Minimum setting depth of conductor casing will be 60' GL or 10'± into competent formation, whichever is deeper, as determined by the EOG person in charge. Exceptions must be approved by an EOG drilling superintendent or manager.
4. The diameter of the diverter flow line will be a minimum of 10" to help reduce back pressure on the well bore during uncontrolled flow.
5. Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.
6. EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

(Attachment: BOP Schematic Diagram)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU01393B
2. Name of Operator EOG RESOURCES, INC.		6. If Indian, Allottee or Tribe Name
Contact: KAYLENE R GARDNER E-Mail: kaylene_gardner@eogresources.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 435-781-9111	8. Well Name and No. NATURAL COTTON 67-04
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 4 T10S R21E NESW 1357FSL 1484FWL 39.97359 N Lat, 109.56139 W Lon		9. API Well No. 43-047-38884
		10. Field and Pool, or Exploratory NATURAL BUTTES
		11. County or Parish, and State UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

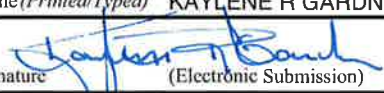
TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Change to Original A PD

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Resources, Inc. respectfully requests authorization to change the well name for the referenced well,

From: Natural Cotton 67-04

New: Natural Buttes Unit 766-04E

14. I hereby certify that the foregoing is true and correct. Electronic Submission #63801 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal	
Name (Printed/Typed) KAYLENE R GARDNER	Title REGULATORY ADMINISTRATOR
Signature  (Electronic Submission)	Date 10/13/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office _____		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01393-B
2. NAME OF OPERATOR: EOG Resources, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1060 East Highway 40 CITY Vernal STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1357' FSL & 1484' FWL 39.973594 LAT 109.561389 LON QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 4 10S 21E S.L.B. & M.		8. WELL NAME and NUMBER: Natural Buttes Unit 766-04E
PHONE NUMBER: (435) 781-9145		9. API NUMBER: 43-047-38884
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Natural Buttes
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>APD EXTENSION REQUEST</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 11-18-2008
By: [Signature]

NAME (PLEASE PRINT) <u>Mickenzie Thacker</u>	TITLE <u>Operations Clerk</u>
SIGNATURE <u>Mickenzie Thacker</u>	DATE <u>11/6/2008</u>

(This space for State use only)

COPY SENT TO OPERATOR

Date: 11.18.2008

Initials: KS

(5/2000)

(See Instructions on Reverse Side)

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NOV 17 2008

DIV. OF OIL, GAS & MINING



**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-38884
Well Name: Natural Buttes Unit 766-04E
Location: 1357 FSL & 1484 FWL (NESW), SECTION 4, T10S, R21E S.L.B.&M
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 11/29/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Michelle Thacker
Signature

11/6/2008
Date

Title: Operations Clerk

Representing: EOG Resources, Inc.

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NOV 17 2008

DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District-Vernal Field Office
170 South 500 East
Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410
<http://www.blm.gov/ut/st/en/fo/vernal.html>

IN REPLY REFER TO:

3160
UTG011

July 8, 2009

Kaylene R. Gardner
EOG Resources, Inc.
1060 East Highway 40
Vernal, UT 84078

43 047 38884
Re: Notice of Expiration
Well No. NBU 766-04E
(fka Natural Cotton 67-04)
NESW, Sec. 4, 10S, R21E
Uintah County, Utah
Lease No. UTU-01393-B
Natural Buttes Unit

Dear Ms. Gardner:

The Application for Permit to Drill (APD) for the above-referenced well was approved on May 3, 2007. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until May 3, 2009. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

cc: UDOGM

RECEIVED
JUL 13 2009
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

December 8, 2009

Mickenzie Gates
EOG Resources Inc.
1060 East Highway 40
Vernal, Utah 84078

Re: APD Rescinded – Natural Buttes Unit 766-04E, Sec. 4, T. 10S, R. 21E
Uintah County, Utah API No. 43-047-38884

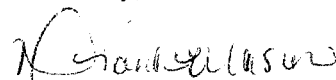
Dear Ms. Gates:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on November 29, 2006. On November 8, 2007 and November 18, 2008 the Division granted a one-year APD extension. On December 2, 2009, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective December 2, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal